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AUTHOR Lankard, Bettina A.
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ABSTRACT

Instruction in small business development is particularly appropriate in vocational and career education. Vocational education teaches students job-specific and employability skills and provides opportunities to use them in work experience programs. The profile of the adult entrepreneur reflects characteristics attributed to vocational education students. Most entrepreneurs are action-oriented people and come from families where one or both parents have owned a business. Entrepreneurship education can be infused into vocational education to help students anticipate and respond to change and make them aware of self-employment as an option. Vocational education-business partnerships benefit entrepreneurship by providing a structure by which business can nurture business creation. Curricula to help students learn how to start and run successful businesses have been developed by Central High School, Louisville, Kentucky, and Ocean County Vocational Technical School in Toms River, New Jersey. Recommendations for curriculum and instruction include emphasis on business planning, computer applications, managing capital, marketing, accounting, and business management. Teacher inservice workshops to encourage infusion should be offered. (YLB)

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ERIC Clearinghouse on Adult, Career, and Vocational Education

DIGEST NO. 118

The Vocational Education/ Entrepreneurship Match

by Bettina A. Lankard

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Small businesses are becoming increasingly vital to the economy. In the United States, "five million small businesses generate 38% of the Gross National Product and employ 91 million workers--47.9% of the nation's work force" (Herbert 1989, p. 103). It has been predicted that at least 8 million new businesses will be established between 1989 and 2000 (Ashmore 1989b).

As society continues to be more service oriented and as businesses continue to trim the numbers of employees, self-employment and business ownership will become viable and appealing goals for today's students. Educational institutions have a responsibility to include in their curriculum techniques for helping students develop entrepreneurial skills so that they will not be among the 45 percent of small businesses that fail within their first year (Chambers 1989).

This **ERIC Digest** looks at some reasons why instruction in small business development is particularly appropriate to vocational and career education, describes some secondary school programs that deal with entrepreneurship, and presents recommendations for enhancing curriculum and instruction in small business development.

Vocational Education and Small Business Development

Vocational education has always been dedicated to preparing its graduates for employment in the workplace--typically in existing businesses. Students learn job-specific and employability skills and are given opportunities to use these skills through work experience programs that connect them with the business community. These experiences help students form a base of knowledge about the function and operation of a business and develop some level of familiarity and comfort with the business environment--two basic elements of entrepreneurship. Vocational educators have come to recognize that starting a business is a natural outgrowth of vocational skills training (Ashmore 1990).

Characteristics of the Entrepreneur

The profile of the adult entrepreneur reflects in many ways the characteristics attributed to vocational education students. For example, most entrepreneurs are action-oriented people who believe that working hard and smart is the key to success. Many of them were enterprising children, earning money through babysitting, paper routes, and so forth. They often come from families where one or both parents have owned a business. In fact, over 50 percent of the entrepreneurs have learned how to run a business from observing and working with family members (Oldham 1988). Additionally, many entrepreneurs do not have college degrees. The National Federation of Independent Business reports that 40 percent of today's entrepreneurs have a high school degree or less, and 8 percent are high school dropouts (Ashmore 1989b).

Most entrepreneurs will establish small businesses. According to the Small Business Administration, "more than 90 percent of the nation's businesses have fewer than 20 employees" (ibid., p. 28). More than 50 percent of all entrepreneurs start businesses in areas in which they have job experience, and personal savings are their most important source of funding. Students in vocational education programs have opportunities for job experience and for earning, saving, and investing money at an earlier stage of life than their peers, contributing to their belief in their abilities and to a sense of self-worth.

A survey of 9,106 Ohio business owners offers additional input to the entrepreneurial profile that supports vocational education as a vehicle for providing entrepreneurship education (Ashmore 1989b):

- One out of six business owners was in a high school vocational program (16.2%). Sixty percent of Ohio's entrepreneurs surveyed did not have a college degree.
- Vocational graduates were much younger when they started their businesses than the balance of the entrepreneurs.
- Most entrepreneurs came from trade and industrial education, followed by agriculture, and then business education.
- One-third of the business owners started with less than $5,000. Only 21% started with more than $50,000.
- Two-thirds of the business owners reported participating in further education or training after business startup. (pp. 212-213)

Vocational Education and Entrepreneurship Education Are Complementary

To be effective in preparing students for a changing society and workplace, vocational education must extend beyond the delivery of occupational knowledge, job skills, and work experience. It must offer students an incentive for thinking creatively about an industry and broaden their understanding of the career opportunities afforded in that industry.

Entrepreneurship education offers students such opportunity by helping them anticipate and respond to change. Students learn that (1) although a job may be successfully accomplished today by performing a given set of tasks, tomorrow an entirely different set of tasks (and skills) may be required; and (2) because businesses are always changing, workers need to find new ways to do given jobs or new ways to do a given job better (Ashmore 1989a). Ashmore promotes brainstorming of potential businesses in the various vocational areas as a means of making students aware of self-employment as another route to success and personal esteem.

The partnerships that typically exist between community business owners and vocational educators offer another benefit to infusing entrepreneurship education in vocational education. Nurturing business creation concepts coincides with the support already provided by business owners who contribute to vocational education by serving on advisory boards and curriculum committees, as classroom speakers and co-op employers.

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Programs and Practices

Several curricula to help students learn how to start and run successful businesses are highlighted in the literature. The Business Magnet III course offered at Central High School in Louisville, Kentucky, involves local banks and businesses in teaching students eight key steps to entrepreneurship (Chambers 1989). After students complete these steps, they build a scale model detailing the plans for their hypothetical business startups.

Ocean County Vocational Technical School in Toms River, New Jersey, has initiated a competency-based vocational curricula with basic skills and academic linkages for their entrepreneurial program called COM-LINK. The program uses a student workbook containing study questions, exercises, sample materials, and information sheets on starting a small business (DeMaria 1989).

To assist first-time business persons, ***First Business Guide*** (Terminello 1991) offers information as well as administrative and operational techniques for one-person enterprises. The five main sections of the guide are business administration; cash and budget management and accounting and bookkeeping; marketing and sales; estimation, project management, and scheduling; and merchandising and inventory.

Recommendations for Curriculum and Instruction

In 1987, a survey was conducted of 1,169 identified entrepreneurial graduates of Minnesota's Technical Institute from the 10 years prior to 1984 to learn the types and sizes of businesses they established and the vocational areas from which they graduated (Minnesota State Council on Vocational and Technical Education 1989). The findings resulted in the following recommendations for curriculum: (1) emphasize business planning, computer applications, managing capital/cash flow, marketing skills, and accounting skills; (2) promote the involvement of vocational program instructors in any business management instruction initiatives across all program areas; and (3) emphasize opportunities for entrepreneurship education strategies to meet the special needs of targeted populations and to promote vocational equity for all students (pp. 4-7).

Similar recommendations were made following a survey of small business managers to determine their perceptions of the importance of various topics to be included in a high school entrepreneurship/small business management program (Herbert 1989). The 79 responses collected from the 130 small business managers were summarized as follows:

1. High school-level instruction in small business management should focus primarily on management principles, communications/human relations, resource management, and marketing.
2. The remainder of the course/unit should feature a balanced curriculum emphasizing the small business/entrepreneurial environment and the functional areas of management.
3. Relatively little time should be devoted to computer/information processing and international business.

The choice to infuse entrepreneurship education in the curriculum rests with the teacher, which may be difficult for teachers who have little or no training to teach the subject. Teacher inservice workshops to encourage infusion can be offered to all vocational teachers in an area as part of a teachers conference or to groups of teachers in the same discipline (Ashmore 1990). They can be offered in various regions of the state to allow for economy of time and travel expense. Because funding for these workshops requires commitment from educational leaders at the school and state level, the importance of entrepreneurship education within the vocational education context must be communicated to these administrators to gain their support.

Another source of entrepreneurship education includes nationally sponsored clubs such as the Distributive Education Clubs of America, Future Business Leaders of America, Vocational Industrial Clubs of America, Future Farmers of America, Future Homemakers of America, and Health Education and Related Occupations. The activities initiated in these organizations can provide students a broadened understanding of small business development and its potential for their future.

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CENTER ON EDUCATION AND TRAINING FOR EMPLOYMENT
THE OHIO STATE UNIVERSITY
1900 KENNY ROAD • COLUMBUS, OHIO 43210
Telephone: (614) 292-4353 or (800) 848-4815

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